

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-406-C - ORDER NO. 93-1021 ✓
NOVEMBER 3, 1993

IN RE: Application of WorldTel Services,)	ORDER
Inc. for a Certificate of Public)	APPROVING
Convenience and Necessity to Operate)	CERTIFICATE
as a Reseller of Telecommunications)	
Services within the State of South)	
Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of WorldTel Services, Inc. (WorldTel or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the Company's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to

Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on October 28, 1993, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. Frank R. Ellerbe, III, Esquire, appeared on behalf of the Company. Carl F. McIntosh, Esquire, represented the Consumer Advocate, and Florence P. Belser, Staff Counsel, represented the Commission Staff.

In support of its Application, the Company presented the testimony of Kenneth A. Lipinski, Chief Executive Officer of WorldTel. Mr. Lipinski explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Lipinski described the Company's services, billing procedures, and customer services.

Mr. Lipinski testified extensively about WorldTel's financial status. Mr. Kipinski described WorldTel's transition from a leasing company to a switchless reseller. He also described WorldTel's efforts since 1990 which have successfully and dramatically reduced the Company's debt owed to third parties. Mr. Lipinski testified that he believes WorldTel has the necessary resources to provide its services in South Carolina.

1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 93-977, dated October 20, 1993.

Mr. Lipinski further testified that WorldTel intends to offer its services to small and medium sized businesses and that the Company does not plan to serve residential customers nor does it provide operator services. Mr. Lipinski testified that WorldTel is currently approved to operate in forty-five (45) states and has applications pending in the remaining five (5) states. Mr. Lipinski stated that WorldTel has never been denied authority in any state. Mr. Lipinski also stated that WorldTel plans to use the long distance facilities of AT&T and WilTel. Mr. Lipinski also testified that WorldTel has no plans to provide 900 services.

After full consideration of the applicable law, the Company's Application, and the evidence presented by the Company, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. WorldTel Services, Inc. is incorporated under the laws of the State of California, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. WorldTel Services, Inc. operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. WorldTel Services, Inc. has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to WorldTel Services, Inc. to provide intrastate service through the resale of telecommunications services, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for WorldTel Services, Inc. for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. WorldTel Services, Inc. shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. WorldTel Services, Inc. shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any

proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

4. WorldTel Services, Inc. shall file its tariff and an accompanying price list within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. WorldTel Services, Inc. is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. WorldTel Services, Inc. shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If WorldTel Services, Inc. changes underlying carriers, it shall notify the Commission in writing.

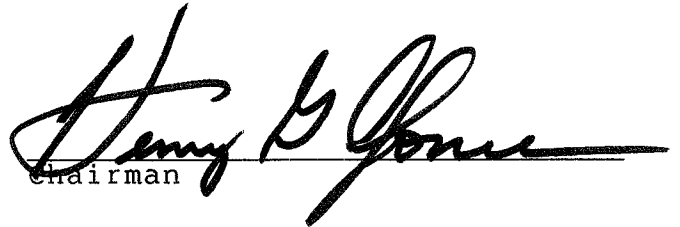
8. WorldTel Services, Inc. shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. WorldTel Services, Inc. shall file surveillance reports on a calendar or fiscal year basis with the Commission as required

by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).